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SURVIVOR LIFE INSURANCE NEEDS

JANUARY 23, 2015

PLEASE READ THIS DISCLOSURE CAREFULLY.

This information may help you analyze your financial needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. The calculations do not infer that the company assumes any fiduciary duties. The calculations provided should not be construed as financial, legal or tax advice. In addition, such information should not be relied upon as the only source of information. This information is supplied from sources we believe to be reliable but we cannot guarantee its accuracy. Hypothetical illustrations may provide historical or current performance information. Past performance does not guarantee nor indicate future results.

SURVIVOR LIFE INSURANCE

Introduction

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January 23, 2015



YOUR GREATEST ASSET

Your ability to earn an income is one of your greatest assets. This income is spent on maintaining the standard of living to which you are accustomed.

In the event of your death, your future earnings would be lost forever. The loss of future earnings would have a great impact on your finances in the following areas:

- Standard of living
- Education opportunities
- Dependent needs
- Liability payments
- Long-term financial well-being

JOHN		MARY
\$75,000	salary	\$83,000
13	years	15
2%	raises	2%
\$1,101,025		\$1,435,354

RISK AND INSURANCE

As you can see by this table, your odds of dying increase with age and the time period you want to consider. The cost of insurance will mirror this table. Because of this, it might be less expensive to buy insurance at a younger age and “lock-in” the rate for a longer period of time. Typically your insurance needs will decrease as debts are paid off and dependents leave the home.

CHANCE OF DYING								
YOUR AGE	IN 5 YRS MALE	IN 5 YRS FEMALE	IN 10 YRS MALE	IN 10 YRS FEMALE	IN 20 YRS MALE	IN 20 YRS FEMALE	IN 30 YRS MALE	IN 30 YRS FEMALE
20	1%	< 1%	1%	1%	3%	1%	6%	3%
30	1%	< 1%	2%	1%	5%	3%	12%	7%
40	1%	1%	3%	2%	11%	7%	25%	16%
50	3%	2%	8%	5%	22%	14%	48%	35%
60	7%	4%	15%	10%	44%	32%	82%	70%
70	15%	10%	33%	24%	78%	67%	99%	97%

PLANNING FOR DEATH

Death is a certainty each one of us must face. However, the financial risk associated with death is a risk we can eliminate through planning and a relatively small financial commitment. Our analysis is designed to assess the risks that you face and evaluate what you can do to minimize those risks over the long term.

WHY YOU NEED PLANNING

Planning to meet the financial needs of your survivors is one of the most important and fundamental steps in creating sound financial strategies for you and your family.

When we compare our survivors' needs to the total resources we can provide at death, most of us will find a shortfall. A shortfall situation means that our survivors will be left with the choice of either finding additional resources that we have not been able to identify, or do without many of the financial needs that you hope to cover.

YOUR OBJECTIVES

DESIRED ANNUAL SPENDING	FIRST SPENDING PERIOD		SUBSEQUENT SPENDING PERIOD	
	DESIRED SPENDING (\$)	DURATION (YRS)	DESIRED SPENDING (\$)	DURATION (YRS)
For Survivors of John	\$125,000	10	\$100,000	20
For Survivors of Mary	\$125,000	10	\$100,000	20

Marital Status	married
Portfolio Before-Tax Return	8.0%
Average Tax Rate	33.0%
Estimated Inflation Rate	2.0%
Funeral and Related Costs	\$12,500
Estate and Administrative Expenses	\$0

SUMMARY OF RESULTS

YOUR SURVIVOR NEEDS SUMMARY	Immediate Need	Survivor Income Need	Totals
For Survivors of John	\$437,240	-\$891,305	-\$454,065
For Survivors of Mary	\$437,240	-\$988,871	-\$551,631

TIMELY SOLUTIONS

Life insurance is uniquely suited for covering financial needs created upon one's death. It is a means of sharing the financial risk of premature death with many, many others who have similar concerns.

You pay a relatively small premium to an insurance company in exchange for the promise of the life insurer to pay your beneficiaries a specified death benefit in the event of your death. A financial need that arises from your death can be eliminated by a financial resource that is created upon your death.

DETAILS OF RESULTS (IN THE EVENT OF JOHN'S DEATH)

By undertaking proper life insurance planning, you can provide income for your survivors, provide a hedge against possible future decline in your asset value and provide a means to retire your debts upon your death. You currently need an additional \$454,065 in life insurance coverage on John's life in order to meet your stated objectives.

ANALYSIS OF IMMEDIATE NEEDS

IMMEDIATE CASH NEEDS	\$562,760
Funeral and Related Costs	\$12,500
Estate and Administrative Expenses	\$0
Mortgages	\$317,400
Other Debts	\$115,360
Emergency Fund (6 months)	\$62,500
Net Education Funding Need	\$55,000
IMMEDIATE RESOURCES	\$1,000,000
Existing Life Insurance	\$1,000,000
SURPLUS / (SHORTFALL)	\$437,240

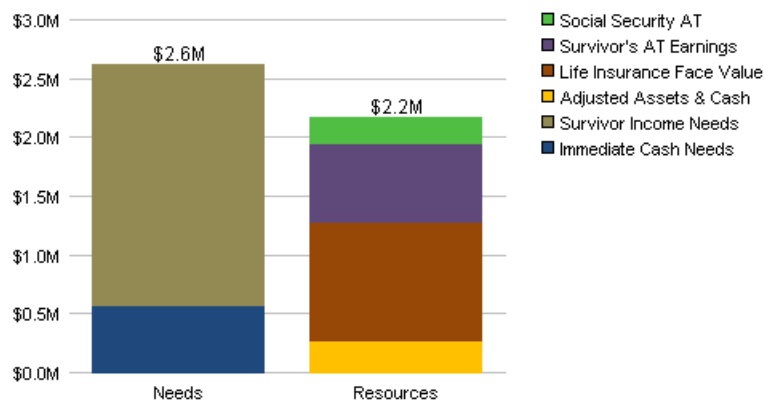
ANALYSIS OF SURVIVOR INCOME NEEDS

SURVIVOR INCOME NEEDS	\$2,056,537
The present value of your stated income needs.	
CAPITAL AND OTHER AVAILABLE RESOURCES	\$1,165,232
Present Value of Adjusted Asset Withdrawals	\$262,690
Pension Plans less Taxes	\$0
Present Value of After-Tax Survivor's Earnings	\$669,679
Present Value of Expected Social Security Benefits	\$232,864
SURPLUS / (SHORTFALL)	(\$-891,305)

SUMMARY

SUMMARY	\$-454,065
Total Immediate Needs	\$437,240
Total Income Needs	\$-891,305

NEEDS VS RESOURCES



These projections are hypothetical. This information is meant to provide you with a general idea about your retirement income needs. The results given are for illustrative purposes only and do not represent the actual performance of any current or future investment. Rates of return will vary over time, especially for long-term investments.

SURVIVOR LIFE INSURANCE

Results (annual review)

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January 23, 2015

DETAILS OF RESULTS (IN THE EVENT OF JOHN'S DEATH)

IMMEDIATE NEEDS		SURVIVOR INCOME NEEDS	
Immediate Cash Needs	\$562,760	Survivor Income Needs	\$2,056,537
Immediate Resources	\$1,000,000	Survivor Capital & Other Resources	\$1,165,232
SURPLUS/(SHORTFALL) \$437,240		SURPLUS/(SHORTFALL) (\$-891,305)	
TOTAL COMBINED SURVIVOR NEEDS SHORTFALL (\$-454,065)			

ANNUAL SUMMARY OF SURVIVOR INCOME NEEDS (up to first 40 years of detailed cash flows)

Surviving Spouse Age	Desired Income	Personal Income	Employer Programs	Government Programs	From Investments	Shortfall
50	125,000	55,610	0	27,294	42,096	0
51	127,500	56,722	0	27,731	43,047	0
52	130,050	57,857	0	28,174	44,019	0
53	132,651	59,014	0	28,625	45,012	0
54	135,304	60,194	0	14,542	60,568	0
55	138,010	61,398	0	14,774	61,838	0
56	140,770	62,626	0	0	78,144	0
57	143,586	63,878	0	0	79,707	0
58	146,457	65,156	0	0	81,301	0
59	149,387	66,459	0	0	82,927	0
60	121,899	67,788	0	0	54,111	0
61	124,337	69,144	0	0	55,193	0
62	126,824	70,527	0	0	56,297	0
63	129,361	71,937	0	0	57,423	0
64	131,948	73,376	0	0	58,572	0
65	134,587	74,844	0	0	59,743	0
66	137,279	0	0	24,494	112,785	0
67	140,024	0	0	24,885	115,139	0
68	142,825	0	0	25,284	117,541	0
69	145,681	0	0	25,688	119,993	0
70	148,595	0	0	26,099	122,496	0
71	151,567	0	0	26,517	125,050	0
72	154,598	0	0	26,941	127,657	0
73	157,690	0	0	27,372	130,318	0
74	160,844	0	0	27,810	133,034	0
75	164,061	0	0	28,255	135,806	0
76	167,342	0	0	28,707	138,635	0
77	170,689	0	0	29,166	141,522	0
78	174,102	0	0	29,633	144,469	0
79	177,584	0	0	30,107	147,477	0

These projections are hypothetical. This information is meant to provide you with a general idea about your retirement income needs. The results given are for illustrative purposes only and do not represent the actual performance of any current or future investment. Rates of return will vary over time, especially for long-term investments.

DETAILS OF RESULTS (IN THE EVENT OF MARY'S DEATH)

By undertaking proper life insurance planning, you can provide income for your survivors, provide a hedge against possible future decline in your asset value and provide a means to retire your debts upon your death. You currently need an additional \$551,631 in life insurance coverage on Mary's life in order to meet your stated objectives.

ANALYSIS OF IMMEDIATE NEEDS

IMMEDIATE CASH NEEDS	\$562,760
Funeral and Related Costs	\$12,500
Estate and Administrative Expenses	\$0
Mortgages	\$317,400
Other Debts	\$115,360
Emergency Fund (6 months)	\$62,500
Net Education Funding Need	\$55,000
IMMEDIATE RESOURCES	\$1,000,000
Existing Life Insurance	\$1,000,000
SURPLUS / (SHORTFALL)	\$437,240

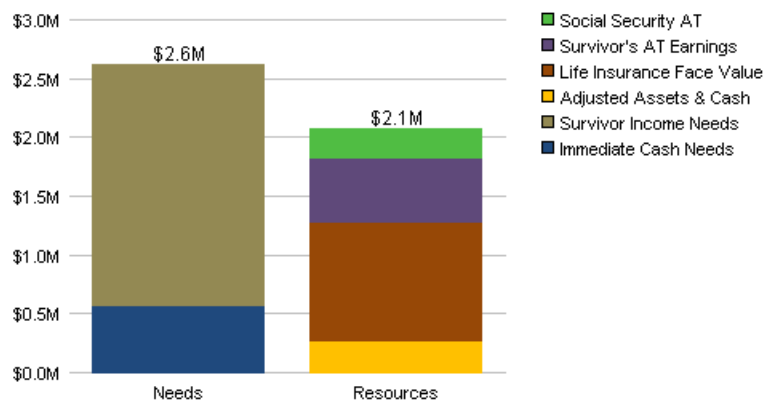
ANALYSIS OF SURVIVOR INCOME NEEDS

SURVIVOR INCOME NEEDS	\$2,056,537
The present value of your stated income needs.	
CAPITAL AND OTHER AVAILABLE RESOURCES	\$1,067,666
Present Value of Adjusted Asset Withdrawals	\$262,690
Pension Plans less Taxes	\$0
Present Value of After-Tax Survivor's Earnings	\$545,503
Present Value of Expected Social Security Benefits	\$259,473
SURPLUS / (SHORTFALL)	(\$-988,871)

SUMMARY

SUMMARY	\$-551,631
Total Immediate Needs	\$437,240
Total Income Needs	\$-988,871

NEEDS VS RESOURCES



These projections are hypothetical. This information is meant to provide you with a general idea about your retirement income needs. The results given are for illustrative purposes only and do not represent the actual performance of any current or future investment. Rates of return will vary over time, especially for long-term investments.

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DETAILS OF RESULTS (IN THE EVENT OF MARY'S DEATH)

IMMEDIATE NEEDS		SURVIVOR INCOME NEEDS	
Immediate Cash Needs	\$562,760	Survivor Income Needs	\$2,056,537
Immediate Resources	\$1,000,000	Survivor Capital & Other Resources	\$1,067,666
SURPLUS/(SHORTFALL) \$437,240		SURPLUS/(SHORTFALL) (\$-988,871)	
TOTAL COMBINED SURVIVOR NEEDS SHORTFALL (\$-551,631)			

ANNUAL SUMMARY OF SURVIVOR INCOME NEEDS (up to first 40 years of detailed cash flows)

Surviving Spouse Age	Desired Income	Personal Income	Employer Programs	Government Programs	From Investments	Shortfall
52	125,000	50,250	0	28,500	46,250	0
53	127,500	51,255	0	28,956	47,289	0
54	130,050	52,280	0	29,419	48,351	0
55	132,651	53,326	0	29,890	49,435	0
56	135,304	54,392	0	15,184	65,728	0
57	138,010	55,480	0	15,427	67,103	0
58	140,770	56,590	0	0	84,181	0
59	143,586	57,721	0	0	85,864	0
60	146,457	58,876	0	0	87,582	0
61	149,387	60,053	0	0	89,333	0
62	121,899	61,254	0	0	60,645	0
63	124,337	62,480	0	0	61,858	0
64	126,824	63,729	0	0	63,095	0
65	129,361	65,004	0	0	64,357	0
66	131,948	0	0	23,728	108,220	0
67	134,587	0	0	24,108	110,479	0
68	137,279	0	0	24,494	112,785	0
69	140,024	0	0	24,885	115,139	0
70	142,825	0	0	25,284	117,541	0
71	145,681	0	0	25,688	119,993	0
72	148,595	0	0	26,099	122,496	0
73	151,567	0	0	26,517	125,050	0
74	154,598	0	0	26,941	127,657	0
75	157,690	0	0	27,372	130,318	0
76	160,844	0	0	27,810	133,034	0
77	164,061	0	0	28,255	135,806	0
78	167,342	0	0	28,707	138,635	0
79	170,689	0	0	29,166	141,522	0
80	174,102	0	0	29,633	144,469	0
81	177,584	0	0	30,107	147,477	0

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